

## Bill Status Report

### Public Pensions (Live Bills)

Run time: Thu Feb-26-2004, 07:41AM

- **HB1070** *Center for agricultural science and heritage.*

Changes the center for agricultural science and heritage to a corporate body separate from the state. Specifies that the center's assets, appropriations, fund balances, and liabilities are not affected by the conversion. Specifies that the members of the center's board of trustees remain trustees. Establishes certain personnel policies.

Author: Robert J. Bischoff

Sponsor: Thomas K. Weatherwax

Agriculture and Small Business Committee

Date	Action
01/13/2004	H: Author Added Robert J. Bischoff
01/13/2004	H: Co Author Added William 'Bill' J. Ruppel
01/13/2004	H: 1st Reading Assigned Appointments And Claims
01/20/2004	H: Co Author Added Terry A. Goodin
01/21/2004	H: Committee Sched 8:30 a.m. Room 156D Appointments And Claims
01/22/2004	H: Committee Report do pass, adopted
01/26/2004	H: Co Author Added Phyllis J. Pond
01/29/2004	H: 2nd Reading Pass Amend
01/29/2004	H: Amendment #1 (Bischoff), prevailed; Voice Vote
02/02/2004	H: 3rd Reading Pass (92-0)
02/02/2004	H: Sponsor Added Thomas K. Weatherwax
02/02/2004	H: 2nd Sponsor Added James A. Lewis
02/03/2004	S: 1st Reading Assigned Agriculture and Small Business
02/09/2004	S: Co Sponsor Added Allie V. Craycraft, Jr.
02/18/2004	S: Committee Sched 9:30 a.m. Room 431 Agriculture and Small Business
02/18/2004	S: Committee Action Pass(7-0) Agriculture and Small Business
02/19/2004	S: Committee Report do pass, adopted
02/24/2004	S: 2nd Reading Pass

FISCAL IMPACT STATEMENT LS 6543 NOTE PREPARED: Feb 19, 2004 BILL NUMBER: HB 1070 BILL AMENDED: Jan 29, 2004 SUBJECT: Center for Agricultural Science and Heritage. FIRST AUTHOR: Rep. Bischoff BILL STATUS: CR Adopted - 2nd House FIRST SPONSOR: Sen. Weatherwax FUNDS AFFECTED: X GENERAL IMPACT: State DEDICATED FEDERAL Summary of Legislation: This bill changes the Center for Agricultural Science and Heritage to a corporate body separate from the state. The bill specifies that the center's assets, appropriations, fund balances, and liabilities are not affected by the conversion. It specifies that the members of the Center's board of trustees remain trustees. The bill establishes certain personnel policies. Effective Date: July 1, 2004. Explanation of State Expenditures: Center for Agricultural Science and Heritage (the Barn): Changing the status of the Barn to a corporate body is not expected to have a significant fiscal impact on the state or the Barn. The Barn reports that the change in status could provide the Center with administrative efficiencies and facilitate its current and pending linkages with the State Fair Commission, another corporate body. The bill specifies that all assets, appropriations, fund balances, and liabilities of the Barn are not affected by the change in the Barn's status. Operational funding for the Barn currently is provided with funds raised through its associated nonprofit entity. Since its inception, the Barn has not received a state appropriation for its operational costs. While Barn employees may

continue to participate in the state's health and retirement benefit systems, all costs are, and will continue to be, borne by the Barn. Recently, the Barn and the State Fair Commission entered a service agreement with the Barn to fund services related to agricultural education, tourism, and business development from January 1, 2003, to June 30, 2004. (At present, the agreement is being reviewed by the Attorney General's Office.) Explanation of State Revenues: Explanation of Local Expenditures: Explanation of Local Revenues: State Agencies Affected: Center for Agricultural Science and Heritage. Local Agencies Affected: Information Sources: Keith Beesley, Department of State Personnel, 317-232-3062; Betsy Jones, Executive Director, Center for Agricultural Science and Heritage, 317-925-2410. Fiscal Analyst: John Parkey, 317-232-9854.

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- **HB1285**      *Early withdrawal of PERF contributions.*

Requires the pension management oversight commission to study the feasibility of authorizing members of the retirement funds administered by the board of trustees of the public employees' retirement fund (PERF board) to withdraw, before retirement, a member's contributions when the member demonstrates an immediate and great financial need. Provides that individual participant records and membership information for the retirement funds administered by the PERF board are confidential.

Author: Terry A. Goodin  
Sponsor: Joseph W. Harrison  
Pensions And Labor Committee

Date	Action
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01/15/2004	H: Author Added Terry A. Goodin
01/15/2004	H: 1st Reading Assigned Labor And Employment
01/27/2004	H: Committee Sched 3:30 p.m. Room 156C Labor And Employment
01/27/2004	H: Committee Action Pass(10-0) Labor And Employment
01/29/2004	H: Committee Report do pass, adopted
02/02/2004	H: 2nd Reading Pass
02/05/2004	H: 3rd Reading Pass (89-2)
02/05/2004	H: Sponsor Added Joseph W. Harrison
02/05/2004	H: 2nd Sponsor Added James A. Lewis
02/10/2004	S: 1st Reading Assigned Pensions And Labor
02/19/2004	S: Committee Sched 10:00 a.m. Room 233 Pensions And Labor
02/19/2004	S: Committee Action Pass(8-0) Pensions And Labor
02/19/2004	S: Committee Report do pass, adopted
02/23/2004	S: Co Sponsor Added David C. Long
02/25/2004	S: 2nd Reading Pass Amend
02/25/2004	S: Amendment #2 (Harrison), prevailed; Voice Vote

FISCAL IMPACT STATEMENT LS 6961 NOTE PREPARED: Feb 19, 2004 BILL NUMBER: HB 1285 BILL AMENDED: SUBJECT: Early Withdrawal of PERF Contributions. FIRST AUTHOR: Rep. Goodin BILL STATUS: CR Adopted - 2nd House FIRST SPONSOR: Sen. Harrison FUNDS AFFECTED: GENERAL IMPACT: State X DEDICATED FEDERAL Summary of Legislation: This bill authorizes a member of the Public Employees' Retirement Fund (PERF), before retirement, to withdraw voluntary contributions to the member's annuity savings account when the member demonstrates an immediate and great financial need. Effective Date: July 1, 2004. Explanation of State Expenditures: There likely will be computer and reprogramming changes necessary to accommodate the provisions of this bill. The extent of these costs are not known. In addition, before initiating any action to implement this proposal, the PERF Board of Trustees must receive assurances from the Internal Revenue Service (IRS) that the provisions do not violate any federal rules or regulations. The fund affected is the Non-budget Administrative Fund at PERF. Background Information: A refund mechanism is in

place at PERF for those employees who leave service before vesting (ten years) whereby the entire amount of the employee contribution is refunded. However, PERF currently does not have a mechanism which allows a withdrawal of contributions while the member continues to work and make the mandatory contributions as required by law. Explanation of State Revenues: Explanation of Local Expenditures: Explanation of Local Revenues: State Agencies Affected: Public Employees' Retirement Fund. Local Agencies Affected: Information Sources: Fiscal Analyst: James Sperlik, 317-232-9866.

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- **HB1306**      *PERF cost of living adjustment.*

Provides a 2% cost of living adjustment for members, survivors, and beneficiaries of the public employees' retirement fund after December 31, 2004. Provides a cost of living adjustment for members, survivors, and beneficiaries of the teachers' retirement fund after December 31, 2004.

Author: Thomas S. Kromkowski  
Sponsor: Robert L. Meeks  
Finance Committee

Date	Action
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01/15/2004	H: Author Added Thomas S. Kromkowski
01/15/2004	H: 1st Reading Assigned Labor And Employment
01/27/2004	H: Committee Sched 3:30 p.m. Room 156C Labor And Employment
01/27/2004	H: Committee Action Pass(9-0) Labor And Employment
01/29/2004	H: Co Author Added Duane Cheney
01/29/2004	H: Co Author Added Ron Herrell
01/29/2004	H: Committee Report do pass, adopted
01/29/2004	H: Referred Referred to Ways And Means
01/30/2004	H: Committee Sched 8:30 a.m. Room 404 Ways And Means
01/30/2004	H: Committee Action Pass Amend(21-0) Ways And Means
02/02/2004	H: Committee Report amend do pass, adopted
02/04/2004	H: 2nd Reading Pass
02/05/2004	H: Co Author Added Sue W. Scholer
02/05/2004	H: 3rd Reading Pass (91-0)
02/05/2004	H: Sponsor Added Robert L. Meeks
02/05/2004	H: 2nd Sponsor Added Lindel O. Hume
02/09/2004	S: 1st Reading Assigned Pensions And Labor
02/10/2004	S: Co Sponsor Added Allie V. Craycraft, Jr.
02/12/2004	S: Committee Sched 10:00 a.m. Room 233 Pensions And Labor
02/12/2004	S: Committee Action Pass(6-0) Pensions And Labor
02/12/2004	S: Committee Report do pass, adopted
02/12/2004	S: Reassign Reassigned Finance
02/12/2004	S: Co Sponsor Added Beverly J. Gard
02/19/2004	S: Committee Sched 9:00 a.m. Room 431 Finance
02/19/2004	S: Committee Action Pass Amend(14-1) Finance
02/19/2004	S: Committee Report amend do pass, adopted
02/23/2004	S: 2nd Reading Pass Amend
02/23/2004	S: Amendment #3 (Lewis), prevailed; Voice Vote
02/23/2004	S: Co Sponsor Added Joseph C. Zakas
02/25/2004	S: 3rd Reading Pass (41-7)
02/25/2004	S: Ret 1st House Amendments

FISCAL IMPACT STATEMENT LS 6370 NOTE PREPARED: Feb 24, 2004 BILL NUMBER: HB 1306 BILL AMENDED: Feb 23, 2004 SUBJECT: PERF and TRF Cost-of-Living Adjustments. FIRST AUTHOR: Rep. Kromkowski BILL STATUS: 2nd Reading - 2nd House FIRST SPONSOR: Sen. R. Meeks FUNDS

AFFECTED: X GENERAL IMPACT: State & Local X DEDICATED FEDERAL Summary of Legislation: This bill provides a 2% cost-of-living adjustment (COLA) for members, survivors, and beneficiaries of the Public Employees' Retirement Fund (PERF) after December 31, 2004. The bill also provides a COLA for members, survivors, and beneficiaries of the Teachers' Retirement Fund (TRF) after December 31, 2004. Effective Date: July 1, 2004. Summary of Net State Impact: (Revised) This bill provides a COLA to PERF members beginning January 1, 2005, as well as a COLA for members, survivors, and beneficiaries of the Teachers' Retirement Fund beginning January 1, 2005. Summary of State Fiscal Impact. PERF COLA: The bill establishes a 2% COLA for CY 2005. The estimated cost to the state over what is currently provided in statute is \$894,000 for FY 2005 and \$1.79 M in FY 2006 and years thereafter. These estimates also include the cost of increases associated with the Excise Police and Conservation Officers' Retirement Plan and the Legislators' Defined Benefit Plan, which are statutorily linked to any COLA increases provided to PERF recipients. TRF COLA: For the Teachers' Retirement Fund, this proposal will increase annual funding requirements for FY 2005 by \$3.25 M for the Closed Plan. For FY 2006 and beyond, the additional annual funding requirement is about \$6.5 M. The amount of the COLA for TRF, effective January 1, 2005, is 1% for members retired after July 1, 1996, and before July 2, 2002; 2.0% for members retired after July 1, 1978, and before July 2, 1996; and 3% for members retired before July 2, 1978. Summary of State Budget Impact. PERF COLA: PERF calculates the contribution requirement for the state in anticipation of passage of a 2% COLA for CY 2005. The estimated additional funding required for COLA provisions in this bill over what is currently budgeted is \$44,000 for FY 2005 and \$87,000 for FY 2006 and years thereafter. TRF COLA: Since the Closed Plan of the Teachers' Retirement Fund is funded on a pay-as-you-go basis, the state annually appropriates the amount necessary to fund the benefits due. Consequently, the budget impact to the state for the TRF COLA is the same as the fiscal impact described above. Additional details of the impacts are provided below. Explanation of State Expenditures: (Revised) [Note: All estimates for the state impact include, in addition to the cost associated with PERF members, the cost of increases associated with the Excise Police and Conservation Officers' Retirement Plan and the Legislators' Defined Benefit Plan, which are statutorily linked to any COLA increases provided to PERF recipients. The portion of the liability and costs associated with the two smaller retirement plans is very small compared to the PERF impact.] 2005 PERF COLA Details: The bill provides a 2% COLA for members, survivors, and beneficiaries of PERF after December 31, 2004. Current statute has no provision for a COLA in 2005. Consequently, the 2005 adjustment provided in this bill, over what is in current statute, is estimated to result in an additional unfunded accrued liability of \$22.63 M. This represents an additional annual cost of about \$1.79 M (about \$894,000 for FY 2005 and \$1.79 M in fiscal years thereafter, representing approximately 0.12% of payroll). Although a COLA for 2005 is not provided in current statute, PERF calculates the contribution requirement for the state in anticipation of passage of a 2% COLA for CY 2005. Consequently, the 2005 adjustment provided in this bill, over what is budgeted is estimated to result in an additional unfunded accrued liability of \$1.13 M. This would result in an additional annual funding requirement of about \$87,000 (about \$43,500 for FY 2005 and \$87,000 in years thereafter, representing approximately 0.006% of payroll). All estimates are based on the July 1, 2002, actuarial valuations. The state General Fund contributes about 55% and various dedicated funds contribute approximately 45% of the personal services expenditures of the state budget. 2005 TRF COLA Details: This COLA will increase annual funding requirements for FY 2005 by \$3.25 M for the Closed Plan. For FY 2006 and beyond, the additional annual funding requirement is about \$6.5 M. The adjustment results in an additional unfunded accrued liability of approximately \$56.3 M for the Closed Plan. The fund affected is the state General Fund. Explanation of State Revenues: Summary of Net Local Impact: (Revised) Summary of Local Fiscal Impact. PERF COLA: The bill establishes a 2% COLA for CY 2005. The estimated cost to political subdivisions over what is currently provided in statute is \$2.1 M in CY 2005 and years thereafter. TRF COLA: For school corporations, the adjustment will result in additional annual funding of approximately \$78,256 for CY 2005 and every year thereafter over what is currently provided in statute. This affects the New Plan which is funded with a level

percent of payroll by school corporations. Summary of Local Budget Impact. PERF COLA: Future PERF funding requirements are calculated in anticipation of passage of a 2% COLA for CY 2005. The estimated additional funding required for this bill over what is currently calculated is \$103,000 for CY 2005 and years thereafter. Additional details of the impacts are provided below. Explanation of Local Expenditures: (Revised) 2005 PERF COLA Details: The bill provides a 2% COLA for members, survivors, and beneficiaries of PERF after December 31, 2004. Current statute has no provision for a COLA in CY 2005. Consequently, the 2005 adjustment provided in this bill, over what is in current statute, is estimated to result in an additional unfunded accrued liability of \$27.0 M. This would result in an additional annual funding requirement of about \$2.1 M (representing approximately 0.095% of payroll). Although a COLA for 2005 is not provided in current statute, future PERF funding requirements are calculated in anticipation of passage of a 2% COLA for CY 2005. Consequently, the 2005 adjustment provided in this bill, over what is calculated for political subdivisions, is estimated to result in an additional unfunded accrued liability of \$1.34 M. This would result in an additional annual funding requirement of about \$103,000 (representing approximately 0.005% of payroll). 2005 TRF COLA Details: For local school corporations, this will increase annual funding requirements by an estimated \$78,256 for CY 2005 and every year thereafter. The increase in unfunded accrued liability for the New Plan from this adjustment is \$786,624. Explanation of Local Revenues: State Agencies Affected: All. Local Agencies Affected: Those political subdivisions with members in PERF; local school corporations. Information Sources: Doug Todd of McCready & Keane, Inc., actuaries for PERF 576-1508; Ken Alberts, of Gabriel Roeder Smith & Co., actuaries for TRF, 1-800-521-0498. Fiscal Analyst: James Sperlik, 317-232-9866; Al Gossard, 317-233-3546. DEFINITIONS: Unfunded Actuarial Liability (sometimes called the unfunded liability) of a retirement system at any time is the excess of its actuarial liability as that time over the value of its cash and investments. Funding: systematic program under which assets are set aside in amounts and at times approximately coincident with the accruing of benefit rights under a retirement system.

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- **HB1401**      *Public officers compensation commissions.*

Establishes the public officers compensation advisory commission to make recommendations to the general assembly regarding the salaries to be paid to public officers. Provides that recommended increases in salaries may not exceed the change in the Indiana nonfarm income. Provides that for purposes of computing a retirement benefit for a person who is a member of the Indiana state teachers' retirement fund and who takes an unpaid leave of absence to serve in an elected position: (1) "annual compensation" includes the total amount that was not paid to the member but would have been paid to the member during the year under the member's employment contracts if the member had not taken any unpaid leave of absence to serve in an elected position; and (2) the "average of the annual compensation" means the annual compensation for the one year of service in which the member's annual compensation was highest.

Author: Robert D. Kuzman  
Sponsor: Joseph W. Harrison  
Rules And Legislative Procedures Committee

Date	Action
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01/20/2004	H: Author Added Robert D. Kuzman
01/20/2004	H: Co Author Added Brian Bosma
01/20/2004	H: Co Author Added Kathy Kreag Richardson
01/20/2004	H: 1st Reading Assigned Ways And Means
01/26/2004	H: Committee Sched Upon Adjournment Room 404 Ways And Means
01/27/2004	H: Committee Action Pass Amend(20-6) Ways And Means

01/29/2004 H: Committee Report amend do pass, adopted  
 01/29/2004 H: Co Author Added Edmund M. Mahern  
 02/04/2004 H: 2nd Reading Pass Amend  
 02/04/2004 H: Amendment #2 (Kuzman), prevailed; Voice Vote  
 02/05/2004 H: 3rd Reading Pass (61-34)  
 02/05/2004 H: Sponsor Added Joseph W. Harrison  
 02/05/2004 H: 2nd Sponsor Added Earline S. Rogers  
 02/12/2004 S: 1st Reading Assigned Rules And Legislative Procedures  
 02/16/2004 S: Committee Sched 4:30 p.m. Room 130 Rules And Legislative Procedures  
 02/17/2004 S: Committee Report amend do pass, adopted  
 02/24/2004 S: 2nd Reading Pass Amend  
 02/24/2004 S: Amendment #1 (Harrison), prevailed; Voice Vote

FISCAL IMPACT STATEMENT LS 7168 NOTE PREPARED: Feb 25, 2004 BILL NUMBER: HB 1401 BILL AMENDED: Feb 24, 2004 SUBJECT: Public Officers Compensation Commission. FIRST AUTHOR: Rep. Kuzman BILL STATUS: 2nd Reading - 2nd House FIRST SPONSOR: Sen. Harrison FUNDS AFFECTED: X GENERAL IMPACT: State DEDICATED FEDERAL Summary of Legislation: (Amended) This bill establishes the Public Officers Compensation Advisory Commission to make recommendations to the General Assembly regarding the salaries to be paid to public officers. The bill provides that recommended increases in salaries may not exceed the change in the Indiana nonfarm income. It provides that for purposes of computing a retirement benefit for a person who is a member of the Indiana state teachers' retirement fund and who takes an unpaid leave of absence to serve in an elected position: (1) "annual compensation" includes the total amount that was not paid to the member but would have been paid to the member during the year under the member's employment contracts if the member had not taken any unpaid leave of absence to serve in an elected position; and (2) the "average of the annual compensation" means the annual compensation for the one year of service in which the member's annual compensation was highest. Effective Date: (Amended) Upon passage; June 1, 2004. Explanation of State Expenditures: (Revised) Public Officers Compensation Advisory Commission: This bill creates a nine-member Public Officers Compensation Advisory Commission to make recommendations on the salaries of elected statewide public officials and judges. Members of the Commission are appointed by the Speaker of the House, the President of the Senate, the Governor, the Chief Justice of the Supreme Court, and the Chief Justice of the Court of Appeals. Members may neither be public officers nor public employees. The Chairman of the Commission is appointed by the Chair of the Legislative Council. The Commission would be required to meet at least once no later than July 1 of each even-numbered year. (At the call of the chair, the Commission may also meet more frequently.) Members of the Commission would receive a per diem and be covered for travel expenses. The Legislative Services Agency (LSA) would provide administrative support to the Commission. At the request of LSA, the State Personnel Department or the Indiana Judicial Center shall provide other support to the Commission. The Commission may also contract with consultants. The bill appropriates to the Legislative Services Agency the funds necessary for the Commission's operation. The Commission would meet to determine the growth in Indiana nonfarm income from the previous year to January 1 of the current year and consider information and recommendations related to public officers' salaries. Before September 1 of each even-numbered year, the Commission is required to make recommendations to the Legislative Council and the State Budget Committee on salary adjustments for public officers. The Commission may not recommend salary increases greater than the growth rate in Indiana nonfarm personal income. Salary recommendations made by the Commission do not take effect unless enacted by the General Assembly. Teachers' Retirement Fund (TRF): The bill also provides that for purposes of determining a TRF member's pension benefits, the member's "annual compensation" includes the additional amount that would have been paid to the member under the member's employment contract if the member had not taken unpaid leave of absence during the year to serve in an elected position. This section does not affect PERF. The salary used in the computation would be the member's base contractual salary as a teacher, rather than the partial amount based on actual teaching service for the year.

The specific impact will depend upon the number of TRF members who take unpaid leaves of absence to serve in an appointed or elected position of public service for a period of time toward the end of their teaching career. Assuming the number of members in this category is small relative to the entire TRF active member population, the overall effect on TRF is likely to be small. However, the impact for affected members could be significant. For example, if the final average salary increases to \$40,000 from \$30,000, the annual TRF benefit for a 30-year teacher would increase from \$9,900 to \$13,200. The liability associated with the increased benefit for the 30-year teacher who would retire at age 60, for example, would be over \$30,000. The fund affected is the state General Fund for the Closed Plan. Explanation of State Revenues: Explanation of Local Expenditures: Explanation of Local Revenues: State Agencies Affected: Public Officers; Legislators; Justices of the Supreme Court; Judges of the Court of Appeals; Legislative Services Agency; Teachers' Retirement Fund; State Personnel Department; State Budget Agency; Indiana Judicial Center. Local Agencies Affected: Trial Court Judges; Prosecuting Attorneys; local school corporations with members in TRF; court clerks. Information Sources: Bureau of Economic Analysis; Division of State Court Administration. Fiscal Analyst: John Parkey, 317-232-9854; James Sperlik, 317-232-9866.

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- **HB1436**      *Women and minority businesses.*

Provides that standards developed and a certification made under the minority business enterprise law apply to standards and certifications for minority business enterprises and women's business enterprises under any other Indiana law. Makes changes in definitions in the minority business enterprise law. Makes conforming changes in the riverboat gambling law. Specifies that riverboat owners must annually file information regarding contracts with minority and women's businesses and specifies that this information is not confidential under the public records laws. Provides that personal financial information or confidential business information need not be disclosed. Requires each state agency, separate body corporate and politic, and state educational institution to analyze of the use of minority businesses, small businesses and women owned business enterprises in the contracting done by the agency, separate body, or educational institution.

Author: William A. Crawford  
Sponsor: Gary Dillon  
Judiciary Committee

Date	Action
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01/20/2004	H: Author Added William A. Crawford
01/20/2004	H: 1st Reading Assigned Appointments And Claims
01/27/2004	H: Committee Sched 1:30 p.m. Room 156C Appointments And Claims
01/27/2004	H: Committee Action Pass Amend(11-0) Appointments And Claims
01/29/2004	H: Committee Report amend do pass, adopted
02/04/2004	H: 2nd Reading Pass Amend
02/04/2004	H: Amendment #2 (Crawford), prevailed; Voice Vote
02/05/2004	H: 3rd Reading Recommitted to Committee of One, amendment adopted; Pass (73-22)
02/05/2004	H: Sponsor Added Gary Dillon
02/05/2004	H: 2nd Sponsor Added Billie J. Breau
02/05/2004	H: Co Sponsor Added Vi Simpson
02/12/2004	S: 1st Reading Assigned Judiciary
02/18/2004	S: Committee Sched 9:00 a.m. Room 233 Judiciary
02/18/2004	S: Committee Action Pass Amend(7-0) Judiciary
02/19/2004	S: Committee Report amend do pass, adopted
02/24/2004	S: 2nd Reading Pass

FISCAL IMPACT STATEMENT LS 7049 NOTE PREPARED: Feb 23, 2004 BILL NUMBER: HB 1436 BILL AMENDED: Feb 19, 2004 SUBJECT: Women and Minority Business Certification. FIRST AUTHOR: Rep. Crawford BILL STATUS: CR Adopted - 2nd House FIRST SPONSOR: Sen. Dillon FUNDS AFFECTED: X GENERAL IMPACT: State X DEDICATED FEDERAL Summary of Legislation: (Amended) This bill has the following provisions: It provides that standards developed and a certification made under the minority business enterprise law apply to standards and certifications for minority business enterprises and women's business enterprises under any other Indiana law. It makes changes in definitions in the minority business enterprise law. It makes conforming changes in the riverboat gambling law. It specifies that riverboat owners must annually file information regarding contracts with minority and women's businesses and specifies that this information is not confidential under the public records laws. It requires each state agency, separate body corporate and politic, and state educational institution to analyze the use of minority businesses, small businesses and women-owned business enterprises in the contracting done by the agency, separate body, or educational institution. It imposes an additional court fee for deposit in the state General Fund. Effective Date: (Amended) July 1, 2004; July 1, 2005.

Explanation of State Expenditures: (Revised) Provision A - This bill requires each state agency, body corporate and politic, and state colleges and universities to report to the Legislative Council by November 1, 2004, on their use of a special business enterprise in the entity's purchasing, construction, and contracting practices from CY1999 through CY2003. Special business enterprises are enterprises that are either minority- or women-owned or a small businesses. Each entity is required to report the number of contracts awarded, the dollar value of the contracts, the type of the contacts awarded, and the efforts made by the entity to encourage special enterprises to contract with the entity. This provision will increase the workload of all state agencies, bodies corporate and politic, and state colleges and universities. The impact of this provision on the affected entities will vary as each has different contracting needs and different capacities for providing the information needed to produce this report. State Gaming Commission: While the provisions in this bill will require the Indiana Gaming Commission to make changes to its current procedures and receive additional information from riverboat owners, the administrative impact is presumed to be minimal. State Lottery Commission: The bill will make the State Lottery Commission subject to the same goals and attainment rules issued by the Governor's Commission on Minority and Women's Business Enterprises. Any administrative impact caused by this provision is expected to be absorbed using existing resources.

Explanation of State Revenues: (Revised) Provision B - A Judicial Administration Fee would be charged on all civil, small claims, and probate filings, all criminal cases where a person is convicted of an offense, all juvenile cases, and all cases where a person is found to have violated an infraction or an ordinance. The fee would be \$1 for the period between July 1, 2004, and ending June 30, 2005. The fee would increase to \$2 beginning July 1, 2005. For FY 2005, the \$1 fee would generate new revenue of \$1.05 M. For FY 2006 and each subsequent year, the fee would generate new revenue of \$2.1 M. The proceeds from this fee would be deposited in the state General Fund. Judicial Administration Fee New Revenue Deposited in State General Fund

	July 1 to December 31, 2004	January 1 to June 30, 2005	July 1 to December 31, 2005	January 1 to June 30, 2006
Following table shows the estimated new revenue that is generated for 12 months based on a \$1 fee.				
Trial Courts City and Town Courts Marion County Small Claims Courts Totals				
Felonies and Misdemeanors	\$51,868	\$21,086	\$72,954	
Infractions	\$378,449	\$132,470	\$510,918	
Ordinance Violations	\$51,636	\$12,707	\$64,343	
Civil and Probate	\$149,567	\$11,258	\$160,825	
Juvenile	\$13,521	\$13,521		
Small Claims	\$167,855	\$66,570	\$234,425	
Totals	\$812,896	\$177,521		
Following table shows the amount of new revenue generated for 12 months based on a \$2 fee.				
Trial Courts City and Town Courts Marion County Small Claims Courts Totals				
Felonies and Misdemeanors	\$103,736	\$42,172	\$145,909	
Infractions	\$756,898	\$264,939	\$1,021,837	
Ordinance Violations	\$103,272	\$25,414	\$128,686	
Civil and Probate	\$299,134	\$22,516	\$321,650	
Juvenile	\$27,043	\$27,043		
Small Claims	\$335,709	\$133,141		
Totals	\$1,625,791	\$355,042	\$133,141	\$2,113,974

Explanation of Local



Expenditures: Explanation of Local Revenues: State Agencies Affected: Governor's Commission on Minority and Women's Business Enterprises; Indiana Gaming Commission; Bodies Corporate and Politic; State Colleges and Universities; State Lottery Commission. Local Agencies Affected: Counties; Public Defenders. Information Sources: 2002 Indiana Judicial Report. Fiscal Analyst: John Parkey, 317-232-9854; Mark Goodpaster 317-232-9852.

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- **SB0106**      *Technical corrections.*

Corrects a number of technical problems in the Indiana Code and in noncode provisions.

Author: Howard 'Luke' Kenley

Sponsor: Robert D. Kuzman

Judiciary Committee

Date	Action
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01/06/2004	S: Author Added Howard 'Luke' Kenley
01/06/2004	S: 1st Reading Assigned Judiciary
01/14/2004	S: Committee Sched 9:00 a.m. Room 233 Judiciary
01/15/2004	S: Committee Report amend do pass, adopted
01/20/2004	S: 2nd Reading Pass
01/20/2004	S: 2nd Author Added Anita O. Bowser
01/20/2004	S: Co Author Added Sue Landske
01/20/2004	S: Co Author Added Sam Smith
01/22/2004	S: 3rd Reading Pass (49-0)
01/22/2004	S: Sponsor Added Robert D. Kuzman
01/22/2004	S: Co Sponsor Added Ralph M. Foley
02/04/2004	H: 1st Reading Assigned Judiciary
02/11/2004	H: Committee Sched 8:30 a.m. Room 156A Judiciary
02/11/2004	H: Committee Action Pass Amend(8-0) Judiciary
02/12/2004	H: Committee Report amend do pass, adopted
02/16/2004	H: Co Sponsor Added Andy Thomas
02/16/2004	H: 2nd Reading Pass Amend
02/16/2004	H: Amendment #1 (Kuzman), prevailed; Voice Vote
02/19/2004	H: 3rd Reading Pass (90-2)
02/19/2004	H: Ret 1st House Amendments

FISCAL IMPACT STATEMENT LS 6455 NOTE PREPARED: Feb 19, 2004 BILL NUMBER: SB 106 BILL AMENDED: Feb 16, 2004 SUBJECT: Technical Corrections. FIRST AUTHOR: Sen. Kenley BILL STATUS: As Passed House FIRST SPONSOR: Rep. Kuzman FUNDS AFFECTED: GENERAL IMPACT: No Fiscal Impact DEDICATED FEDERAL Summary of Legislation: This bill corrects a number of technical problems in the Indiana Code and in noncode provisions. Effective Date: Upon passage; July 1, 2003 (retroactive); July 1, 2004. Explanation of State Expenditures: Explanation of State Revenues: Explanation of Local Expenditures: Explanation of Local Revenues: State Agencies Affected: Local Agencies Affected: Information Sources: Fiscal Analyst: Mark Goodpaster, 317-232-9852.

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- **SB0263**      *Title 33 recodification.*

Recodifies Title 33 concerning courts and court officers to reorganize and restate the law without substantive change. Repeals current Title 33 provisions. Makes conforming amendments. (The introduced version of this bill was prepared by the code revision commission.)

Author: Howard 'Luke' Kenley

Sponsor: Robert D. Kuzman  
Judiciary Committee

Date	Action
01/08/2004	S: Author Added Howard 'Luke' Kenley
01/08/2004	S: 1st Reading Assigned Judiciary
01/08/2004	S: 2nd Author Added Anita O. Bowser
01/08/2004	S: Co Author Added Sue Landske
01/21/2004	S: Committee Sched 9:00 a.m. Room 233 Judiciary
01/21/2004	S: Committee Action Pass(10-0) Judiciary
01/22/2004	S: Committee Report do pass, adopted
01/26/2004	S: 2nd Reading Pass
01/27/2004	S: 3rd Reading Pass (47-0)
01/27/2004	S: Sponsor Added Robert D. Kuzman
01/27/2004	S: Co Sponsor Added Ralph M. Foley
02/04/2004	H: 1st Reading Assigned Judiciary
02/11/2004	H: Committee Sched 8:30 a.m. Room 156A Judiciary
02/11/2004	H: Committee Action Pass(9-0) Judiciary
02/12/2004	H: Committee Report do pass, adopted
02/16/2004	H: Co Sponsor Added Andy Thomas
02/16/2004	H: 2nd Reading Pass
02/16/2004	H: Amendment #1 (T. Brown), ruled out of order
02/19/2004	H: 3rd Reading Pass (91-1)
02/19/2004	H: Ret 1st House No Amendments

FISCAL IMPACT STATEMENT LS 7074 NOTE PREPARED: Jan 27, 2004 BILL NUMBER: SB 263 BILL AMENDED: SUBJECT: Title 33 recodification. FIRST AUTHOR: Sen. Kenley BILL STATUS: As Passed Senate FIRST SPONSOR: FUNDS AFFECTED: GENERAL IMPACT: No Fiscal Impact DEDICATED FEDERAL Summary of Legislation: Recodifies Title 33 concerning courts and court officers to reorganize and restate the law without substantive change. Repeals current Title 33 provisions. Makes conforming amendments. (The introduced version of this bill was prepared by the code revision commission.) Effective Date: July 1, 2004. Explanation of State Expenditures: Explanation of State Revenues: Explanation of Local Expenditures: Explanation of Local Revenues: State Agencies Affected: Local Agencies Affected: Information Sources: Fiscal Analyst: Diane Powers, 317-232-9853.

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- **SB0379**      *Release of Social Security numbers.*

Prohibits a state agency from releasing the Social Security number of an individual unless required by state law, federal law, or court order; authorized in writing by the individual, or the disclosure is to a commercial entity for permissible uses set forth in the Drivers Privacy Protection Act, the Fair Credit Reporting Act, or the Financial Modernization Act of 1999. Makes it a Class D felony to knowingly make a false representation to obtain a Social Security number or for an agency employee to knowingly disclose a Social Security number. Provides that an agency employee who negligently discloses a Social Security number commits a Class A infraction.

Author: Brandt Hershman  
Sponsor: Brian Hasler  
Technology, Research, And Development Committee

Date	Action
01/12/2004	S: Author Added Brandt Hershman
01/12/2004	S: 1st Reading Assigned Transportation and Homeland Security

01/12/2004 S: Co Author Added Allie V. Craycraft, Jr.  
 01/20/2004 S: Committee Sched 9:30 a.m. Room Senate Chamber Transportation and  
 Homeland Security  
 01/20/2004 S: Committee Action Pass Amend(6-0) Transportation and Homeland Security  
 01/22/2004 S: Committee Report amend do pass, adopted  
 02/02/2004 S: 2nd Reading Pass Amend  
 02/02/2004 S: Amendment #1 (Hershman), prevailed; Voice Vote  
 02/02/2004 S: Co Author Added R. Michael Young  
 02/04/2004 S: 3rd Reading Pass (48-0)  
 02/04/2004 S: Sponsor Added Brian Hasler  
 02/04/2004 S: Co Sponsor Added Eric Koch  
 02/04/2004 S: Co Author Added Gary Dillon  
 02/04/2004 S: Co Author Added David C. Ford  
 02/05/2004 H: 1st Reading Assigned Technology, Research, And Development  
 02/18/2004 H: Committee Sched 2:30 p.m. Room 156C Technology, Research, And  
 Development  
 02/18/2004 H: Committee Action Pass Amend(12-1) Technology, Research, And Development  
 02/19/2004 H: Committee Report amend do pass, adopted  
 02/19/2004 H: Referred Referred to Ways And Means  
 02/25/2004 H: Co Sponsor Added Matt Pierce

FISCAL IMPACT STATEMENT LS 7132 NOTE PREPARED: Feb 19, 2004 BILL NUMBER: SB 379 BILL  
 AMENDED: Feb 19, 2004 SUBJECT: Release of Social Security Numbers. FIRST AUTHOR: Sen.  
 Hershman BILL STATUS: CR Adopted - 2nd House FIRST SPONSOR: Rep. Hasler FUNDS AFFECTED: X  
 GENERAL IMPACT: State & Local DEDICATED FEDERAL Summary of Legislation: (Amended) This  
 bill prohibits a state agency from releasing the Social Security number of an individual  
 unless required by state law, federal law, or court order; authorized in writing by the  
 individual; to a commercial entity for permissible uses set forth in the Drivers Privacy  
 Protection Act, the Fair Credit Reporting Act, or the Financial Modernization Act of  
 1999; or necessary to the investigation, prosecution, and adjudication of violations of  
 law or for administration of state employee health benefits. The bill makes it a Class D  
 felony to knowingly make a false representation to obtain a Social Security number or for  
 an agency employee to knowingly disclose a Social Security number. It provides that an  
 agency employee who negligently discloses a Social Security number commits a Class A  
 infraction. The bill also requires the State Information Technology Oversight Commission  
 to appoint a group of individuals to develop a state information security policy. The  
 bill requires the Commission to appoint a director of information security to implement  
 the policy. It requires each state agency and branch of state government to designate an  
 information security liaison. It also requires each state agency and branch of state  
 government to implement the information security policy. The bill provides that the  
 executive director of the State Information Technology Oversight Commission serves as the  
 chief information officer of Indiana. The bill also requires the chief information  
 officer to serve as director of the state information security policy group. Effective  
 Date: Upon passage; July 1, 2004. Explanation of State Expenditures: (Revised) Release of  
 Social Security Numbers; Administrative Costs: State agencies could incur increased costs  
 based on changes needed to current procedures and/or computer systems as a result of  
 several provisions of the bill. There are no data available to estimate the increase in  
 cost, but the provisions that appear to add administrative cost include: 1. State  
 agencies would be prohibited from releasing Social Security numbers except in certain  
 circumstances. 2. Removing, or completely and permanently obscuring a Social Security  
 number on a public record before disclosing the record is considered compliance. 3. State  
 agencies that disclose personal information in violation of the section would be required  
 to notify persons whose Social Security number was disclosed. Attorney General's Office:  
 This proposal would require the Attorney General's office to develop procedures for  
 investigation of and reporting of violations of Social Security number disclosures. The  
 provision is expected to increase the administrative burden of the Attorney General's  
 office. However, the extent of this burden is currently indeterminable as the number of

violations that will occur is unknown. Aside from the customer information contained in the records of a municipal utility, Social Security numbers are not currently required to be stricken from information available through the state's public records law. Penalty Provisions: The bill makes it a Class D felony for a person to illegally obtain a Social Security number or for an employee to knowingly, intentionally, or recklessly disclose a number. A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months. Information Technology Oversight Commission: This bill requires the Information Technology Oversight Commission (ITOC) to designate a group to develop a state information security policy. The group will consist of members representing the executive, legislative, and judicial branches of state government. The state's Chief Information Officer will serve as the director of the information security policy group. The impact of this provision on ITOC will largely depend on the administrative action taken by the Commission. Other State Agencies: The bill requires each state agency, the legislative branch, and the judicial branch to appoint an employee to serve as the agency's or branch's information security liaison. Each information security liaison is responsible for implementing the security policy within the liaison's branch or agency. It is presumed that any administrative costs associated with this provision would be absorbed within the respective workloads of each agency or branch of government. Depending on the information security policy developed, this provision could also influence the computer hardware and software purchasing decisions of state agencies, the legislative branch, and the judicial branch. The impact of this provision on agency's future technology expenditures is expected to be limited. Explanation of State Revenues: Class D Felony Penalty Provision: If additional court cases occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class D felony is \$10,000. However, any additional revenues would likely be small. Class A Infraction Penalty Provision: The bill makes it a Class A Infraction if an employee of a state agency negligently discloses a Social Security number in violation of the bill. The maximum judgment for a Class A infraction is \$10,000, which would be deposited in the state General Fund. However, any additional revenue is likely to be small. Explanation of Local Expenditures: Penalty Provisions: If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small. Explanation of Local Revenues: Penalty Provision: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, the amounts would likely be small. State Agencies Affected: Department of Correction; Information Technology Oversight Commission; State agencies; Legislative Branch; Judicial Branch. Local Agencies Affected: Trial courts, local law enforcement agencies. Information Sources: Fiscal Analyst: Sarah Brooks, 317-232-9559; John Parkey, 317-232-9854.